

**WESTERN PULASKI COUNTY WATER DISTRICT**

1059 W. HWY 80  
SOMERSET, KY 42503  
606-679-1569 / 1-877-223-1517  
FAX: 606-677-9449

**RECEIVED**

MAY 20 2004

**PUBLIC SERVICE  
COMMISSION**

May 14, 2004

Beverly B. Davis, Financial Audit Branch Manager  
Public Service Commission  
P.O. Box 615  
Frankfort, Ky 40602

**RECEIVED**  
MAY 20 2004  
**FINANCIAL ANALYSIS**

Re: 2002-00013

Dear Ms. Davis:

In response to your letter dated April 16, 2004, we have reviewed our reply to the Public Service Commission's report of August 8, 2003, to ensure our continued compliance with your Financial Audit Branch findings regarding case 2002-00013.

A review of our response dated September 18, 2003 revealed we have adhered to our plan as outlined in our response. Some additional procedures have been added since our response:

**Item 1. Segregation of duties:**

New software was put in place in March of this year. Our new program prints account number bar codes on the bill cards, which can be scanned for posting payments. It is now possible to post a payment at the counter immediately when payment is received from the customer. (We have set security limits on the computer at our counter so that payments can be received, but no modifications can be made to accounts at this location.) Most payments are received by either the billing clerk or assistant office manager. Each afternoon, the accounts receivable clerk balances the cash drawer, reconciles posted payments to cash receipts, and prepares the bank deposit. Payroll is now being prepared by our CPA, not by the office manager.

**Item 2. Cancel invoices and supporting documentation:**

Our new computer A/P software does allow for entering invoice numbers, which safeguards against duplicate payments.

**Item 3. Control Check Numbers**

CPA uses a separate batch of checks, which have different numbers from A/P checks, to prepare payroll. This eliminates having to void check numbers out of A/P as had been done in the past.

In answer to your concerns regarding Items 10 and 11:

Item 10. Extension Projects.

Any expenditure over \$20,000 (with the exception of professional services as stipulated in KRS 274.005) is advertised for bid. Copy of newspaper advertisement for bids is attached.

Item 11. Authorization of Disbursements

At each monthly board meeting, bills are reviewed by the entire board. Regularly recurring bills such as utilities, rent, insurance, and contracted services are approved by the board at this time, provided no extra cost above and beyond normal amounts exist. During the month, all other bills are put aside and presented at each board meeting for approval.

The following have also been resolved:

Item 12. Approval of Commissioners' Salaries:

On November 13, 2003, order was received from Pulaski County Judge/Executive Darrell Beshears setting salaries for Commissioners at \$150.00 per month for chairman, \$100.00 per month for commissioners and \$200.00 per year extra for the treasurer. Commissioners are to be paid for attended meetings only.

Item 13. Approval to Employ Legal Counsel

On October 28, 2003, Pulaski County Judge/Executive sent a letter stating that Pulaski County Attorney Bill Thompson will represent WPCWD pursuant to KRS 74.030, and there was no need to hire an additional attorney.

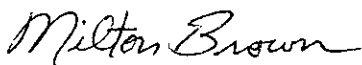
Item 16. Number of Board Members

On November 10, 2003 Pulaski County Judge Executive issued an order setting the number of commissioners at five (5). The five commissioners who were selected for termination are serving out the remainder of their terms, after which those positions will terminate. To date, three of those commissioners' terms have expired, with the remaining two terminating positions due to expire in September of 2006.

Finally, we have attached a copy of the letter from Wilson and Company regarding their investigation of financial matters, as you requested.

Please let us know if you need any further information regarding these matters.

Sincerely,



Milton Brown, Chairman  
Western Pulaski County Water District

**PUBLIC NOTICE  
NOTICE OF PROPOSED ISSUANCE  
KPDES GENERAL PERMIT  
NO. KYG040000  
FOR COAL MINING OPERATIONS**

Under the provisions of Kentucky Revised Statute (KRS) 224.07 thru 224.100 and 401 KAR 5:060, the Division of Water proposes to issue a general permit for coal mining operations.

**KYG040000 general permit for coal mining operations in Kentucky discharging to waters of the Commonwealth.** This permit addresses discharges from active and post mining areas, new and existing sources, which have obtained a valid permanent program permit pursuant to KRS Chapter 350 and meet the qualifications for coverage. The general permit contains water quality and technology based effluent limitations and conditions. The draft general permit is being modified to address issues regarding oil & grease and the Notice of Intent Procedures. Along with the Fact Sheet and Draft General Permit, the additional documents entitled: Coal Best Management Practices, NOI-CM, and Best Management Plan Certification are available on the Division of Water's Coal Website (<http://www.water.ky.gov/kpdes/coal.htm>). Permit Writer: Larry Sowder

Persons wishing to comment upon or object to the proposed action or the proposed permit conditions are invited to submit comments to the Division of Water at the above address. **The comments must be received by September 22, 2003.** The applicant's name and KPDES number should be included in the comments.

Additional information may be obtained by contacting Larry Sowder or Courtney Seitz of the Division of Water, KPDES Branch at (502) 564-3410. Three (3) days advance notice may be required for inspection of files. A copy machine is available for public use at 10 cents per page.

**ADVERTISEMENT FOR BIDS**

Western Pulaski County Water District (WPCWD), Owner  
1059 West Highway 80  
Somerset, KY 42503

Separate sealed bids will be taken for the construction of this portion of the 2003 Water system Additions and Improvements Project. This CONTRACT 6 consists of installation of approximately 21+/- miles of 10", 8", 4" and 3" waterlines and related work.

Bids will be received by WPCWD at 1059 West Highway 80, Somerset, KY 42503 or at the bid opening at the WPCWD office until 2:00 PM EDT (local time), September 15, 2003 and then publicly opened and read aloud.

The CONTRACT DOCUMENTS may be examined at the following locations:

1. WPCWD office, 1059 West Highway 80, Somerset, KY 42503, (606) 679-1569
2. Crawford and Crawford and Stewart Engineers, Inc., 931 E. Lakeshore Drive (or PO Box 457) Burnside, KY 42519, (606) 561-4475
3. FW Dodge Corp., One Paragon Court, Suite 230, 2525 Harrodsburg Road, Lexington, KY 40504, (859) 226-9070
4. Reed Construction Data, 132 Venture Court, Lexington, KY 40511, (800) 762-5703

Copies of the CONTRACT DOCUMENTS are required for bidding and are to be ordered through the office of Crawford and Crawford and Stewart Engineers, Inc. Pre-payment is \$150.00 for each full set. All document orders should allow at least five (5) days for shipping. Any unsuccessful bidder or non-bidder, upon returning the complete set, in good condition within 10 days of the bid opening will be refunded \$50.00.

Bidders are required to closely adhere to the "Information for Bidders."

"Equal Employment Opportunity"

**111 RETAIL SPACE  
FOR LEASE**

**HIGH VISIBILITY B3** zone for lease, old (stuffs) at 701 East Loudon 1,833 sq. ft. with shared restroom or whole building which includes a 1,250 sq. ft. 2 story warehouse. 859-221-8421

7131566

**OFFICE/retail space** New Circle Rd., 859-983-2443

7151538

**Prime Retail Space** on Richmond Rd. 6750 SF-\$8,100/Mo. 1515 SF-\$1,350/Mo. Call Jim or Liz 266-3181 or 621-4477

6977911

**152 BULLETIN  
BOARD**

**166 PERSONALS**

**SEARCH THE** Herald-Leader Classifieds on-line [www.kentucky.com](http://www.kentucky.com) 6899412

**174 LEGAL NOTICES**

**INVITATION  
TO BID**

**NOTICE** is hereby given by the Lexington-Fayette Urban County Government that bids will be received in the Office of the Director of Central Purchasing, 200 East Main Street, Lexington, Kentucky for:

Invitation to Bid

**174 LEGAL NOTICES**

**REQUEST FOR  
PROPOSAL**

Notice is hereby given by the Lexington-Fayette Urban County Government that proposals will be received in the Office of the Director of Central Purchasing, 200 East Main Street, Lexington, KY for:

RFP#16-2003, Pharmacy Benefit Management Services

Proposals will be received until 2:00 p.m. local time on 9/22/03 at which time they will be reviewed. If mailed, proposal should be addressed to DIVISION OF CENTRAL PUR-

**EMPL**

**502 AUTOMOTIVE**

**ATTENTION  
USED CAR  
SALES**

Experienced or inexperienced. (Have you ever worked the work sheet). (The Four Squares). Small Lot in Lexington. Covers 100 car inventory. Every UP is a DEAL. Captive customers they walk in and drive home. Easy smooth low pressure, be happy make lots of money. Call Right Now

**Steve**  
859-294-5858

7134940

**INSTALLER**

Exp. auto glass installer needed for Lex, KY shop. Top pay & benefits+cc. vehicle. Call Susan at 866-293-3718

6997385

**LEAD MECHANIC**

3 to 5 yrs. experience required. Truck/trailer service and repair shop. Supervisory experience a plus. Fax resume 502-867-1176.

7135599

**MECHANIC, FT**

Excellent working environment. Benefits, Vacation. 859-744-2174 from 9am-5pm

7135918

**PROFESSIONAL**

**DETAILER** needed at Jazzy's Car Wash 1800 Pleasant Ridge Dr. Lex. 264-9477

7131171

**TAKING APPLICATIONS FOR ASE**

**Certified Mechanic.** \$24.75/hr flat rate. Must have references. Apply in person only: 1118 Winchester Rd. 7148008

**TIRE CHANGER-  
INSTALLER** needed

FT/PT, full benefits. 252-5692 or 253-9508

7151552

**TRAIL BLAZERS**

has openings for the following positions

**Car Stereo & Mobile**

**Electronics Mgr.** 2 yrs inside experience selling mobile electronics & car stereos.

**Car Stereo & Mobile**

**Video Installers** At least 1 yr experience on the job. 3 positions available

**Experienced Mobile**

**Video & Car Stereo Sales People** 23 positions available.

**Tire & Wheel Sales Mgr.**

Min 2 yrs sales experience

**Auto Parts & Accessories Sales**

At least 2 yrs experience.

Apply in person: 1098 E. New Circle Rd. Lexington, KY 40505 or call 859-977-1690

Web ID

HL 7103522

7111460

**WINDOW TINTER**

Bluegrass Window Tint Experienced Only. Good salary! Call 859-498-9570 day/eve

7102335

**508 CUSTOMER SERVICE**

**CUSTOMER SERVICE**

Need for Equine Veterinary Distribution Answer phones, typing, and file. Basic office equipment/PC knowledge needed. Strong organizational skills needed. Salary depends on experience. Benefit & 401k available. Pre-employment drug testing required. Fax resume to 800-492-0957 or Annette.

71352

**509 CHILD CARE NEEDED**

**ENERGETIC, LOVING SITTER** needed in my home for 3 yr. old. FT or PM-F, no smoking. Call 231-3595. Adtalk Box 3791.

71117

**HOME sitter PT**

2:30-6:00, vehicle ref. required. 312-67

71436

**NANNY Live Out**

position. References background check required. Reply H-L Box B 713216 100 Middle Ave., Lex, KY 40505

71132

**NANNY FT Live**

position, references & background check required. Reply H-L Box B 7024528, 100 Middle Ave., Lex, KY 40505

702453

**PT/ FT Nanny for**

mo old. 18 & over. 859-987-8485

71492

**SEEKING Care**

for 3 mo old in home. 1-3 days a week. 859-268-1068

69886

**SITTER in our home**

Own transportation, references, record check. 859-381-088

71116

**510 DENTAL**

**DENTAL HYGIENIST**

2-4 days/wk. Frankfort. License 502-223-0211.

709622

**DENTAL Receptionist**

ist. Mon.-Thurs. 8 some Saturdays. experience preferred. Call 276-5461 for interview.

71484

**PT to FT Dental As**

for a new Pediatric dental practice. 2-4 days/wk 859-543-24

71484

**Web**

HL7148606

714860

**512 DOMESTIC**

**CAREGIVER** for elderly person in London area, light housework, FT/PT

references required. Reply to H-L Box B 7024537, 100 Middle Ave., Lex, KY 40505

702453

**HOUSEKEEPER**

professional couple. E. Lex. location. Duties to include cleaning, shopping, driving, errands. Experience preferred but not necessary. FT position. hrs. negotiable. Reply to HL B

71484



**WILSON & COMPANY, PSC**  
Certified Public Accountants

202 East Mt Vernon Street  
Post Office Box 1120  
Somerset, KY 42502

Telephone 606 678-5158  
Facsimile 606 678-0539  
Internet [answers@wilsoncpas.com](mailto:answers@wilsoncpas.com)

January 12, 2004

William M. Thompson, Attorney  
104 W. Columbia St.  
Somerset, Kentucky 42501

Dear Mr. Thompson,

This letter is to provide you with an update of the status of our work regarding the investigation of certain financial matters related to the Western Pulaski County Water District.

#### **Standard Meter Sets**

We noted 42 non-project meter sets listed on contractor invoices for which we cannot find record of the District depositing funds. Of these 42 meter sets, 11 appear to be related to maintenance of existing meters for which no additional funds would have been collected. We reviewed the status of these 11 customers on the billing system and noted they were customers at the address listed prior to the meter set date. We did not review any type of detail paperwork relating to maintenance orders on these locations. For the remaining 31 meter sets, we reviewed the status in the billing system and meter set authorization paperwork and noted that they appeared to be new customers and new service locations at the time of the meter set. Meter set charges which should have been collected for these customers total \$13,345. We suggest sending letters to these customers in an attempt to obtain information and documentation concerning any payments made to the District for the meters in question.

#### **Project Meter Sets**

We have also attempted to review records for the 131 customers who received meters through Parsons Construction, Inc. on the most recent project of the District. Of 131 customers on the list maintained by the District, we have verified receiving funds from 24 customers during 2000, 2001 and 2002. 22 customers are listed on the District's records as having paid for their meter before 2000. Due to the limited time period we were requested to investigate, we have not attempted to verify these payments to the pre-2000 records. The result is 85 for meters which we have been unable to verify receiving payment due to the lack of District records and the lack of information listed on many of the bank deposits made. The total expected bank deposits generated for these meters would be in the range of \$31,000 to \$36,000 depending on the date of the payment since the customer charge for a meter set changed from \$365 to \$435 during 2002.

William Thompson, Attorney  
January 12, 2004  
Page 2

Of the expected bank deposit amount related to project meters, we have noted four deposits in 2000 and 2001 totaling \$15,093, as well as cash and check portions of other deposits totaling \$2,390 with no detail as to which customers made payments. For 2002, total deposits, per the District's CPA records, other than interest income, in the project meter bank account was \$8,633. District personnel have been unable to locate any bank statements on this account for a portion of 2001 and all of 2002, thus we cannot identify which customers made these payments. We have requested these bank statements from the bank through your office. No deposits, other than interest income, were noted in 2003. The total of all of these unapplied deposits received is \$26,116. This leaves a potential deposit shortage of \$5,000 to \$10,000 dollars or approximately 15 to 25 meters. There are 10 of the 131 project customers with no contract located or, if there was a contract, with no indication of date of payment, thus we cannot determine if funds for these customers should have been received and deposited during the period under investigation or during a previous period.

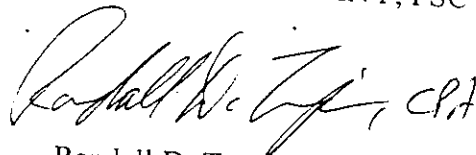
We also noted deposits totaling \$2,530 in the project meter account from customers whose names did not appear on the project list.

#### Line Extensions

We have also attempted to review the line extension account and related records to determine that amounts received from contractors for refundable line extensions have been properly deposited by the District. The District has not been able to locate some months' bank statements for the line extension account and, for many of the deposits listed in the statements we do have, there is no indication as to the source of the funds deposited. Also, some of the files do not contain information regarding payment amounts and dates from the contractor, thus it would be difficult to attempt to trace any payments on extensions to the bank deposits.

Very truly yours,

WILSON & COMPANY, PSC



Randall D. Turpin, CPA

Enclosures

Project meter set information

Project meter sets	131
Bank deposits noted	(24)
Prior to 2000 per contract date	(22)
Meter sets to be accounted for	85
Estimated expected bank deposits generated (based on a \$365 to \$435 rate range)	\$31,000 to \$36,000
Total unapplied deposits for 2000 thorough 2003	26,116
Potential deposit shortfall	\$5,000 to \$10,000
Estimated number of customers in potential shortfall	15 to 25
Customers with no contract or no indication of payment amount or date on contract	10
Deposits into the project account for customers whose name does not appear on the project list	\$2,530